

CQA Program Overview

Purpose

The CQA is awarded annually to recognize commands and major staff elements which, through commitment to customer and employee satisfaction and continuous improvement, serve as examples for other Coast Guard organizations. The Award is intended to:

- **Educate** Coast Guard personnel about the meaning and value of the Award Criteria;
- **Encourage** management excellence by providing a framework to assess performance and share best management practices;
- **Recognize** organizations that have improved their overall performance and demonstrated a sustained trend in providing high quality services, resulting in effective use of taxpayer dollars;
- **Publicize** management achievements and successes.

Appendix A outlines the award program and application/submission instructions.

Background

Profound changes are taking place throughout the Federal Government. These changes have far-reaching consequences in the way we plan for and manage our resources. Factors influencing the way we manage our resources include:

- an agreement by the President and Congress to balance the Federal Budget by 2002,
- the Government Performance and Results Act (GPRA),
- the National Performance Review (NPR),
- initiatives within the Office of Management and Budget (OMB) to shape capital planning, and
- other guidance from OMB and the Office of the Secretary of Transportation.

The Vice President's National Performance Review cites the Malcolm Baldrige National Quality Award Criteria as a superior management model for use in managing our resources. The underlying principles of the Criteria are based on the core values found among the highest-performing organizations in the industrialized world today. These principles and Award Criteria have for some time been used to recognize outstanding organizations in the private sector by the Malcolm Baldrige National Quality Award (MBNQA). They are equally applicable to organizations in the public sector.

The Commandant's Quality Award adopted the President's Quality Award Criteria; these Criteria are based on the MBNQA Criteria with slight modifications reflecting the unique aspects of Federal Government organizations. Specifically: (a) the point values for several Categories are slightly different; (b) Item 7.2 Overall Financial and Performance Results is modified to provide for reporting on overall performance results in non-financial terms; and (c) terminology is changed selectively throughout the document to reflect the government rather than business environment. The close alignment with the MBNQA is designed to foster cooperation and exchange of information between public and private sector organizations, and to ensure the best practices of high-performing organizations are reflected in the government.

Continued on next page

CQA Program Overview *(cont.)*

CQA Core Values & Concepts

The award Criteria are built upon a set of core values and concepts. These values and concepts are the foundation for integrating key performance requirements within a results-oriented framework. These core values and concepts are:

- Customer Driven Quality
- Continuous Improvement & Learning
- Fast Response
- Long-Range View of the Future
- Partnership Development
- Results Orientation
- Leadership
- Employee Participation & Development
- Design Quality & Prevention
- Management by Fact
- Community Oriented

Key Features

The Criteria focus on results. The Criteria’s seven categories and 20 Items focus on requirements that all organizations need to understand thoroughly if they are to realize performance results at the highest level.

The Criteria address all aspects of management in an integrated and balanced way. This includes improvement of:

- customer and mission-related performance,
- productivity and efficiency in the use of all resources,
- speed and flexibility,
- service and product quality,
- cost effectiveness, and
- overall program and financial performance.

The Criteria address key business processes and results and are designed for diagnosis and feedback. All Criteria directly relate to improving organization performance; nothing is included merely for the purpose of an award.

The Criteria are non-prescriptive and adaptable. They are made of results-oriented requirements, but allow wide latitude in how the requirements are met. They do not call for specific practices or organizational structures because there are many possible approaches. The best choices depend upon many factors, including an organization’s type, size, strategy, and stage of development.

Continued on next page

CQA Program Overview *(cont.)*

CQA Framework

The core values and concepts are embodied in seven categories, as follows:

- 1 Leadership**
- 2 Strategic Planning**
- 3 Customer Focus**
- 4 Information and Analysis**
- 5 Human Resource Development and Management**
- 6 Process Management**
- 7 Business Results**

There are a total of 20 Items within the seven Categories, each focusing on a major requirement. An important aspect of this framework is the interrelationships between the Items, shown on page 5.

Coast Guard's Strategic and Performance Goals

The Criteria call for vertical alignment with the organization's strategic goals. The Coast Guard has five strategic goals and 22 performance goals which are outlined in the Coast Guard's 1999 Performance Plan. This Performance Plan is included as Appendix C. The plan also lists the strategies and influencing factors for reaching these goals.

The Coast Guard's Organizational Strategic Goals also provide the direction for which the Directorates align their Business Plans too. Currently, G-M and G-O have Business Plans; other Directorates are working on theirs. These Business Plans are to help operating units maintain alignment with the Coast Guard's Organizational Strategic Goals.

Key Characteristics of the CQA Criteria

Criteria Focus	<p>The Criteria focus principally on six key areas of performance:</p> <ul style="list-style-type: none">• Customer satisfaction and retention,• Financial performance,• Product and service performance,• Productivity, operational effectiveness, and responsiveness,• Human resource performance, development, and satisfaction,• Supplier performance and development, and• Public responsibility and good citizenship. <p>The use of a composite of indicators helps to ensure strategies are balanced – that they do not inappropriately trade off among important stakeholders or objectives, or between short- and long-term goals.</p>
Adaptable and Non-Prescriptive	<p>The Criteria are a set of interrelated, results-oriented requirements that allow wide latitude in how the requirements are met. Accordingly, the Criteria do <u>not</u> prescribe specific tools, techniques, technologies, processes, systems, measures, starting points, or how the organization should be structured.</p> <p>The Criteria are non-prescriptive because:</p> <ul style="list-style-type: none">• The focus is on results, not on procedures, tools, or an organization’s structure. Organizations are encouraged to develop and demonstrate creative, adaptive, and flexible approaches for meeting basic requirements. Non-prescriptive requirements are intended to foster incremental and major “breakthrough” improvement as well as basic change.• Selection of tools, techniques, systems, and structure usually depends upon many factors such as the organization’s size, type, stage of development, and employee capabilities and responsibilities.• Focus on common requirements within an organization, rather than on common procedures which fosters better understanding, communication, sharing, and alignment, while supporting creativity and diversity in approaches.
Criteria as an Assessment System	<p>The Criteria and scoring guidelines are an assessment system. The Criteria are a set of results-oriented requirements. The scoring guidelines spell out the assessment dimensions (Approach, Deployment, Results) and the key factors used to assess against each dimension. An assessment provides a profile of strengths and areas for improvement for the basic requirements. In this way, the assessment leads to actions that contribute to the results composite described above. This assessment is a useful management tool that goes beyond most performance reviews. Appendix B provides some guidance in using the CQA as an assessment and performance improvement tool.</p>

Continued on next page

Key Characteristics of the CQA Criteria *(cont.)*

Systems Approach

The systems approach to goal alignment is embedded in the integrated structure of the Criteria and the results-oriented, cause and effect linkages among the criteria parts.

Alignment in the Criteria is built around connecting and reinforcing measures, derived from the organization's strategy. These measures tie directly to key internal and external customer and mission requirements. The use of measures thus channels different activities in consistent directions without the need for detailed procedures or centralization of decision making. Measures thus serve both as a communications tool and a basis for deploying consistent overall performance requirements. Such alignment, then, ensures consistency of purpose while at the same time supporting speed, innovation, and decentralized decision making.

Criteria System Relationship Model

The Coast Guard uses the
systems model in Mark Graham Brown's Book,
Baldrige Award Winning Quality, Seventh Edition.
Due to copyright restrictions, we are unable to produce that model for this web file.

Key Characteristics of the CQA Criteria *(cont.)*

Linkages

As Mark Blazey aptly articulates in his book *Insights to Performance Excellence 1997* (ASQC Quality Press, 1997), “Putting high performance management systems in place is a major commitment that will not happen quickly. At the beginning, you will need a transition strategy to get you across the bridge from management by opinion or intuition to more data-driven management... A popular children’s activity, connect the dots, helps them understand that, when properly connected, apparently random dots create a meaningful picture. In many ways, the seven categories, 20 items, and 30 areas to address in the Baldrige criteria are like dots that must be connected to reveal a meaningful picture. With no paths to make the web, or join the dots, human resources is not related to strategic planning; information and analysis are isolated from process management; and overall improvement efforts do not yield robust results.”

Scoring System

Evaluation Dimensions

The system for scoring applicant responses to Criteria Items and for developing feedback is based upon three evaluation dimensions:

- Approach
 - Deployment
 - Results
-

Approach

Approach refers to the design or methodology in reference to the Item requirements. The factors used to evaluate approaches include:

- appropriateness of the methods to the requirements;
 - effectiveness of use of methods;
 - degree to which approach:
 - ◊ is systematic, integrated and consistently applied;
 - ◊ embodies evaluation/improvement cycles;
 - ◊ is based upon objective, reliable data/information;
 - ◊ is prevention based; and
 - evidence of innovation, including significant and effective adaptations of approaches used in other types of applications.
-

Deployment

Deployment refers to the **extent** to which the approach is applied to all requirements of the Item. The factors used to evaluate deployment include:

- use of the approach in addressing operational and Item requirements;
- application of the approach to all business products/services, transactions with customers and suppliers, and support functions/processes; and
- use of the approach by all appropriate work units.

Approach and Deployment are linked to emphasize that descriptions of Approach should always indicate the Deployment - consistent with the specific requirements of the Item.

Results

Results refers to **outcomes** in achieving the purposes in the Item. The factors used to evaluate results include:

- current performance levels;
- performance levels relative to appropriate comparisons and/or benchmarks;
- rate, breadth, and importance of performance improvements; and
- demonstration of sustained improvement and/or high-level performance.

Results Items depend on data demonstrating performance levels and trends. However, the evaluation factor, “breadth and importance of performance improvements,” is concerned with how widespread and how significant an organization’s improvement results are. This is directly related to the Deployment dimension. That is, if improvement processes are widely deployed, there should be corresponding results.

Scoring Guidelines

Approach and Deployment		Results	
Score	Approach and Deployment	Score	Results
0%	<ul style="list-style-type: none"> no systematic approach evident; anecdotal information 	0%	<ul style="list-style-type: none"> no results or poor results in areas reported
10% to 30%	<ul style="list-style-type: none"> beginning of a systematic approach to the primary purposes of the Item early stages of a transition from reacting to problems to a general improvement orientation major gaps exist in deployment that would inhibit progress in achieving the primary purposes of the Item 	10% to 30%	<ul style="list-style-type: none"> early stages of developing trends; some improvements <i>and/or</i> early good performance levels in a few areas results not reported for many to most areas of importance to the applicant's key mission requirements
40% to 60%	<ul style="list-style-type: none"> a sound, systematic approach/responsive to the primary purposes of the Item a fact-based improvement process in place in key areas; more emphasis is placed on improvement than on reaction to problems no major gaps in deployment, though some areas or work units may be in very early stages of deployment 	40% to 60%	<ul style="list-style-type: none"> improvement trends <i>and/or</i> good performance levels reported for many to most areas of importance to the applicant's key business requirements no pattern of adverse trends <i>and/or</i> poor performance levels in areas of importance to the applicant's key business requirements some trends <i>and/or</i> current performance levels—evaluated against relevant comparisons <i>and/or</i> benchmarks—show areas of strength <i>and/or</i> good to very good relative performance levels
70% to 90%	<ul style="list-style-type: none"> a sound, systematic approach, responsive to the overall purposes of the Item a fact-based improvement process is a key management tool; clear evidence of refinement and improved integration as a result of improvement cycles and analysis approach is well-deployed, with no major gaps; deployment may vary in some areas or work units 	70% to 90%	<ul style="list-style-type: none"> current performance is good to excellent in most areas of importance to the applicant's key business requirements most improvement trends <i>and/or</i> performance levels are sustained many to most trends <i>and/or</i> performance levels—evaluated against relevant comparisons <i>and/or</i> benchmarks—show areas of leadership and very good relative performance levels
100%	<ul style="list-style-type: none"> a sound, systematic approach, fully responsive to all the requirements of the Item a very strong, fact-based improvement process is a key management tool; strong refinement and integration – backed by excellent analysis approach is fully deployed without any significant weaknesses or gaps in any areas or work units 	100%	<ul style="list-style-type: none"> current performance is excellent in most areas of importance to the applicant's key business requirements excellent improvement trends <i>and/or</i> sustained excellent performance levels in most areas strong evidence of agency and benchmark leadership demonstrated in many areas

Item Format

The Item Format shows the different parts of the Item – what each part is for. It is especially important to understand the “Areas to Address.”

Each Item is classified either as “Approach and Deployment” or “Results,” depending on the type of information required. The meaning of these classification symbols is given on page 7. Guidelines for responding to Approach/Deployment Items and Result Items are provided in Appendix A.

